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## NEWS RELEASE

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### **UNLICENSED LOAN OFFICER PLEADS GUILTY TO FRAUD**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that SENNETT H. SWIFT, 25, of Sacramento, pleaded guilty today to bank fraud and money laundering. The guilty plea was entered before United States District Judge Lawrence K. Karlton.

This case is the product of a joint investigation by the Federal Bureau of Investigation and the Internal Revenue Service, Criminal Investigation.

According to Assistant United States Attorney Matthew Stegman, who is prosecuting the case, SWIFT defrauded two homeowners and the corresponding lenders by fraudulently refinancing the two homes, the goal of which was to receive the substantial loan broker commissions. To accomplish this fraud, the defendant solicited the two homeowners and falsely told them that they would receive loans with favorable terms, such as a low adjustable rate that would not increase above a certain rate cap. He also falsely led the homeowners to believe that their prepayment penalties on their existing mortgages would be rebated by the defendant. Actually, SWIFT knew that the rate caps were higher than promised, and there would be no rebates. Additionally, in one of the cases, SWIFT submitted a forged loan application with forged documents to the lender without the knowledge or consent of the homeowner. In addition, the loan application contained false statements regarding the eligibility of the homeowner for the loan, such as wages inflated above her true wages.

The defendant is scheduled to be sentenced by the Honorable Lawrence K. Karlton on March 25, 2008, at 9:30 a.m. The maximum penalty for bank fraud is 30 years in prison and a fine of up to \$1 million; for money laundering it is 10 years in prison and a fine of up to \$250,000 or twice the value of the money laundered, whichever is greater. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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